

The 2008-09 Budget
Special Meeting of the Finance Committee (Transport)
on 2 April 2008

Opening Speech for
the Secretary for Transport and Housing

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Honourable Chairman and Members,

The Financial Secretary delivered the 2008-09 Budget on 27 February 2008. Today, I would like to brief Members on the part of the Estimates which relates to the Transport portfolio.

2. The allocation for the transport portfolio in the 2008-09 financial year is about \$8.46 billion, which represents a decrease of about \$740 million or 8.05% over the revised estimate for last year. The operating expenditure is about \$4.75 billion, which is \$430 million or 9.82% more than the revised estimate for last year. The capital expenditure is around \$3.71 billion, which is about \$1.17 billion or 23.93% less than the revised estimate for last year.

3. The additional operating expenditure allocated will be

used for a number of services, which mainly include –

- (a) contracting out of the management, operation and maintenance of the Tsing Sha Control Area; and
- (b) carrying out maintenance service for the newly completed road projects such as the Shenzhen Bay Port.

4. A main reason for the decrease in capital expenditure is that payment had been made in 2007-08 for the funding support for the design phase expenditure of the MTR West Island Line. In addition, the expenditure on various major road works such as the construction of Route 8 between Cheung Sha Wan to Shatin; the Stonecutters Bridge of Route 8 between Tsing Yi and Cheung Sha Wan, and improvement work to Tung Chung Road between Lung Tseng Tau and Cheung Sha will continue to fall steadily with their gradual completion.

5. In the coming year, our priority areas under the Transport portfolio are as follows –

- (a) on cross-boundary transport infrastructure, we are pressing ahead with the Hong Kong-Zhuhai-Macao Bridge project. We will proceed with the preparatory work for the tendering exercise for the

Main Bridge, as well as the investigation and preliminary design for the Hong Kong Boundary Crossing Facilities and Hong Kong Link Road. We hope to update the Panel on Transport on the situation later. We will also continue our efforts in taking forward the planning work of the Guangzhou-Shenzhen-Hong Kong Express Link, and pursuing the proposal of a rail link between the two airports in Hong Kong and Shenzhen.

- (b) on local rail networks, we will continue to closely oversee the detailed design of the West Island Line, and the further planning of the Shatin to Central Link and the South Island Line. We will also continue to monitor the Kowloon Southern Link project for its completion by 2009;
- (c) on local road infrastructure, we will continue to oversee the implementation of various highways projects, including the construction of Route 8 between Tsing Yi and Cheung Sha Wan, the planning and design of the Tuen Mun-Chek Lap Kok Link and Tuen Mun Western Bypass, and the improvement works of Tuen Mun Road;
- (d) on civil aviation, we will seek to strengthen Hong

Kong's status as an aviation centre on many fronts. We will continue to proactively pursue expansion in the bilateral air services arrangements with our aviation partners in support of the development of the aviation industry. The Airport Authority Hong Kong will continue to improve the airport infrastructure facilities with a view to increasing the passenger and cargo handling capacities of the airport, and will strengthen the transport links between the airport and the Pearl River Delta. Regarding the capacity of the Hong Kong International Airport, our target is to gradually increase the runway capacity to 68 movements per hour by 2015. In the long term, we need to build another runway to further increase the capacity. The Airport Authority Hong Kong is making preparations for commissioning a study within this year on the engineering and environmental feasibility of building a new runway;

- (e) On sea communications and logistics development, with the endorsement of the LOGSCOUNCIL and government sponsorship, the pilot study on the On-board Trucker Information System has rolled out smoothly. In the latter half of 2008, a fully-fledged study will be conducted on all the 500

participating trucks. The pilot study will encourage the industry to adopt information and communications technology to improve their operational efficiency. In respect of infrastructure development, once the detailed feasibility study on the Lantau Logistics Park is concluded, we will inform the industry of the findings, and consult the industry and the public on the way forward of the project. At the same time, we will actively study the suitability of the Tsing Yi site option for the development of the CT 10, and formulate the port development strategy in the light of the findings of the Hong Kong Port Cargo Forecasts, so as to enhance our port competitiveness;

- (f) on road safety, we will continue to enhance road safety through implementing new measures on legislation, enforcement and education fronts;
- (g) lastly, on promoting environmental protection, we will continue to actively oversee the implementation of environment-friendly measures by franchised bus companies such as deploying environmentally friendly buses along busy corridors, and enhancing bus service rationalization.

6. The above is my brief introduction to the part of the 2008-09 Estimates relating to the Transport portfolio. I would be pleased to hear Members' views and answer questions on this part of the Estimates. Thank you.

Transport and Housing Bureau

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